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Economics Study Guide

Vocabulary

* Goods
* Services
* Taxes
* Productive resources:
  + Natural
  + Human
  + Capital
* Entrepreneur
* Trade
* Currency
* Producer
* Consumer
* Supply
* Demand
* Opportunity cost
* Budget
* Interest
* Withdrawal
* Deposit
* Import
* Export

Concepts

* The government charges taxes (money).
  + Income tax is charged on what money earn for your job.
  + Sales tax is charged on goods you buy at the store
  + The national government uses taxes to provide services such as a military, a postal service, and major roads (interstates like I-75)
  + The state government uses taxes to provide services such as pay the governor, pay for state highways, and state parks
  + Local governments charge taxes to provide services such as public schools, libraries, and local fire/police protection
* Consumers and producers need each other. This is called interdependence. Without consumers, producers would not be able to sell their products. Without producers, consumers would not have goods to buy.
* Producers should research before they start making a good. They need to know the cost of making the product, if people will buy the product, and how much money people are willing to spend on the product. If they do not know these things, their business will probably not be profitable or make them much money.
* Entrepreneurs are people who start a business by organizing resources to make a good or provide a service. They take a risk to make money. If their business fails, they can lose money. But if it is successful, they can make money.
* It is wise to plan a budget and save money. It is not easy or fun to give up wants, but it is necessary to save money so you can pay for your needs and have money in the bank for emergencies.
* Saving money in a bank can help you earn interest.
* Goods are imported and exported all over the world.